



CONDUCT OF OPERATIONS COURSE

Lesson Title: Performance Measurement

Reference:

- (a) DOE 5480.19, Conduct of Operations Requirements for DOE Facilities
Chapter 1 Operations Organization & Administration
- (b) Planning and Measurement in Your Organization of the Future, D. Scott Sink, Institute of Industrial Engineers, Norcross, GA, 1989.
- (c) Rocky Flats Field Office General Technical Base Study Guide.

Objective: Upon completion of this lesson:

1. Describe the Cost Plus Award Fee (CPAF) process and the role that it plays in the management of Department facilities. (1.l)
2. Discuss the considerations for establishing performance indicators. (2.b)
3. Identify possible performance indicators for a nuclear facility, and discuss their meaning to the management of safe facility operations. (2.c)
4. Discuss the methods for measuring and reporting performance to performance indicators. (2.d)
5. Discuss the considerations that must be evaluated to properly interpret performance from performance indicators, and to establish performance goals. (2.e)
6. Referring to DOE Order 5480.19 and its attachments, describe the methods of measuring performance. (2.f)
7. Discuss methods of performance data collection and trending, and importance of trend analysis to operations



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I: Performance Measurement Overview

A. Purpose for Measuring:

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B. Performance Measurement Terms:

- **Performance Objective** -
- **Performance Measure** -
- **Expected Performance** -

C. Performance Criteria: Organizational performance is a function of the interrelationship between seven criteria:

1) Effectiveness -

2) Efficiency -

3) Quality -

4) Productivity -

5) Quality of Work Life -

6) Innovation -

7) Profitability and/or Cost Savings -

D. Attributes of Good Measures:

- Valid and Reliable
 - Accurate and Precise
 - Unique
 - Understandable
 - Quantifiable
 - Controllable
 - Cost Effective
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E. Measurement Outcomes:

- Supports decision making
- Drives desired behavior
- Pleases Customer
- Improvement

F. Steps to Establish a Measurement System:

- Establish a vision
- Create strategies
- Design, develop, and implement methods to achieve the strategies
- Design, develop, and implement measurement and evaluation methods
- Establish cultural support systems

G. Measurement Process:

- Set objectives
- Select measure
- Set expectations
- Produce information
- Take action

II. DOE 5480.19 Guidelines:

- Operating activities are monitored so that problems can be documented and analyzed, and corrective actions can be implemented.
 - Safety, Environment, and Operating goals (same as objective discussed above) are used as a management tool for improving performance and for measuring effectiveness in areas such as:
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 - Goals are auditable, measurable, realistic, and challenging, and facilitate improvement.
 - Inspections, audits, reviews, investigations, surveillance, and self-assessments of operating activities are performed to evaluate a facility's ability to meet its goals and to identify areas for improvement. Identified deficiencies are documented, trended, and corrected.
 - Examples of CONOPS Related Measures:
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 - Application of Results:
 - 1) Cost Plus Award Fee Process -
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NOTES